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July 15, 2008

The Honorable Charles Terreni
Chief Clerk of the Commission
Public Service Commission of South Carolina
Post Office Drawer 11649
Columbia, South Carolina 29211

Re: Proceeding to Establish Guidelines for an Intrastate Universal Service Fund
Docket No. 97-239-C

Dear Mr. Terreni:

BellSouth Telecommunications Inc. d/b/a AT&T South Carolina ("AT&T South Carolina") respectfully encloses for filing a Response to CLECS' Motion Requesting Review of USF Issues in the above-captioned matter.

By copy of this letter, I am serving all parties of record with a copy of this Response as indicated on the attached Certificate of Service.

Sincerely,

A handwritten signature in black ink that reads "Patrick W. Turner".

Patrick W. Turner

PWT/nml
Enclosure
cc: All Parties of Record
DM5 #715926

BEFORE THE
PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA

DOCKET NO. 97-239-C

IN RE:)
)
Proceeding to Establish Guidelines for an)
Intrastate Universal Service Fund)
_____)

**AT&T SOUTH CAROLINA’S RESPONSE TO CLECS’
MOTION REQUESTING REVIEW OF USF ISSUES**

BellSouth Telecommunications, Inc. d/b/a AT&T South Carolina (“AT&T South Carolina”) respectfully submits its Response to the Motion Requesting Review of USF Issues filed by various CLECs on July 3, 2008.

- A. AT&T South Carolina requests that the Commission give no weight to the CLECs’ statements that the USF is not in compliance with the Commission’s Orders or with applicable law.**

The CLECs state that “the USF is not currently in compliance with this Commission’s orders or the South Carolina and federal statutory provisions governing the operation of the USF;” that the USF “is not currently being operated in a way that is consistent with the applicable legal requirements;” and that “there are a number of provisions of current orders that are not being followed.”¹ AT&T South Carolina joins Embarq, the Office of Regulatory Staff (“ORS”), and the South Carolina Telephone Coalition (“SCTC”) in strenuously disagreeing with these statements. The Supreme Court of South Carolina recently affirmed the Commission’s Orders implementing the

¹ See CLECs’ Motion at 4, 8.

State USF as being fully compliant with applicable state and federal law, and in AT&T South Carolina's experience, the ORS diligently and capably performs its role as Administrator of the State USF in full compliance with the Commission's Orders implementing the State USF. In addition to following the letter of the Commission's Orders (the ORS, for instance, seeks – and AT&T provides – line counts on an annual basis), the ORS has sought, obtained, and implemented Commission clarification of those Orders as necessary and appropriate.² The Commission, therefore, should give no weight to the CLECs' statements that the USF is not in compliance with the Commission's Orders or with applicable law.

B. AT&T South Carolina Requests that the Commission not “review” any issue on a retroactive basis.

The CLECs also ask the Commission to “review additional issues” in this proceeding, and they present a “non-exhaustive list of issues [they] urge the Commission to review”³ To the extent that this is a request for the Commission to “review” prior rulings in this docket on a retroactive basis to determine their validity, AT&T South Carolina strenuously objects to the request. As noted above, the Commission's Orders implementing the State USF have been affirmed by the Supreme Court of South Carolina, and the CLECs are therefore barred from challenging or attacking the rulings in those Orders on a retroactive basis.

² See, e.g., Order Issuing Declaratory Ruling, *In Re: Proceeding to Establish Guidelines for an Intrastate Universal Service Fund*, Order No. 2006-335 in Docket No. 1997-239-C (July 3, 2006); Order Establishing Net Income as Qualifying Criteria, *In Re: Proceeding to Establish Guidelines for an Intrastate Universal Service Fund*, Order No. 2006-661 in Docket No. 1997-239-C (November 3, 2006);

³ See CLECs' Motion at 4-5.

C. AT&T South Carolina requests that the Commission provide all parties the opportunity to address any issue the Commission may decide to address on a prospective basis.

To the extent that the CLECs are asking the Commission to consider adopting their positions on their proposed additional issues on a prospective basis, AT&T South Carolina respects their right to make that request.⁴ AT&T South Carolina, however, disagrees with many of the CLECs' positions on their proposed additional issues. Accordingly, if the Commission decides to address one or more of the CLECs' proposed additional issues, AT&T South Carolina respectfully requests that the Commission provide all parties the opportunity to fully present their views on such issue(s) prior to making a prospective decision.

Respectfully submitted,



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⁴ This is consistent with the ORS's position that "[t]o the extent the Commission decides to address additional USF issues or USF issues previously raised and pending, it is ORS's position that such a review is to contemplate prospective changes to the administration and management of the fund." *See* ORS's Response to CLECs' Motion at p. 4. AT&T South Carolina, however, reiterates its strong agreement with the ORS's position that "[w]hile the CLECs may seek review and/or changes to the existing Commission Orders and Guidelines based on their interpretation of the state and federal statutory provisions, the State USF Fund is being administered and operated in accordance with current Commission orders and guidelines which implemented the state and federal statutory requirements for universal service funding." *See* ORS's Reply to CLECs' Response at p. 2.

STATE OF SOUTH CAROLINA)
)
COUNTY OF RICHLAND) CERTIFICATE OF SERVICE

The undersigned, Nyla M. Laney, hereby certifies that she is employed by the Legal Department for AT&T South Carolina (“AT&T”) and that she has caused AT&T South Carolina’s Response to CLECS’ Motion Requesting Review of USF Issues in Docket No. 97-239-C to be served upon the following this July 15, 2008:

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